

Message Text

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11

ACTION EA-09

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

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SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 PA-01 PRS-01

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FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 3163

C O N F I D E N T I A L JKARTA 3268

E.O. 11652: GDS

TAGS: ENRG, ID

SUBJECT: GOI-OIL COMPANY DISCUSSIONS

REFS: (A) JAKARTA 3094, (B) JAKARTA 2997

1. EMBOFF CALLED ON WIJARSO OF MIGAS MARCH 9 TO INQUIRE ABOUT CURRENT STATUS OF NEGOTIATIONS WITH OIL COMPANIES. WIJARSO SAID HE WAS MUCH MORE "RELAXED" ABOUT SITUATION THAN HE WAS TWO WEEKS AGO. HE STATED THAT TWO MAN TEAM FROM CALTEX IS ARRIVING IN JAKARTA MARCH 11 AND WILL HOLD TALKS NEXT DAY WITH GOI. (COMMENT: APPARENTLY THESE ARE SAME CALTEX OFFICIALS MENTIONED PARA 2 REF B WHO WILL ATTEMPT TO SEE SUHARTO. END COMMENT). WIJARSO SAID HE WAS OPTIMISTIC ABOUT REACHING SOME FORM OF NEGOTIATED SETTLEMENT WITH CALTEX; HE SAID HE FELT INGREDIENTS FOR ACCEPTABLE COMPROMISE WERE PRESENT.

2. ON PRODUCTION-SHARING SIDE, SIJARSO SAID THAT GOI WAS IN TOUCH WITH THE COMPANIES ON VERY INFORMAL BASIS. HE SAID THE KEY HERE WAS TO FIND SOME WAY OF "PACKAGING" SETTLEMENT WITH COMPANIES. HE RULED OUT THE POSSIBILITY, FOR THE TIME BEING, OF ANY UNILATERAL DECREE. HE SAID VARIOUS OPTIONS, BASED ON
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COMPANIES' REVISED FIGURES, ARE CURRENTLY BEING REVIEWED BY

HIMSELF AND HIS STAFF AT MIGAS. PRICE-WATERHOUSE TEAM IS
CALCULATING FINANCIAL EFFECTS -- BOTH ON COMPANIES AND GOI --
OF THESE VARIOUS OPTIONS.

3. WIJARSO AND NEW PERTAMINA CHIEF GEN. HARYONO CALLED ON
PRESIDENT SUHARTO MARCH 8. AMONG OTHER THINGS, THEY BRIEFED
PRESIDENT ON WHERE MATTERS STOOD WITH THE COMPANIES AND
DISCUSSED WAYS OF REACHING AGREEMENT. WIJARSO DID NOT GO INTO
DETAILS ABOUT HIS MEETING BUT HE MENTIONED THAT HE HAD DONE
SOME "NEGOTIATING" OF HIS OWN IN SUGGESTING GREATER FLEXIBILITY IN
THE GOVERNMENT'S POSITION.
NEWSOM

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